



LOUISIANA FARM & AGRIBUSINESS RECOVERY GRANT AND LOAN PROGRAM FREQUENTLY ASKED QUESTIONS

- Q. How may a producer or agribusiness receive a grant/loan or loan application?
- A. Applications are available on-line at www.ldaf.state.la.us/recovery , by contacting your closest LDAF office, by attending of the training sessions, or by requesting a copy to be mailed by calling 922-1277 if in Baton Rouge or at **1-866-295-0081** statewide outside of Baton Rouge.
- Q. Who is a producer?
- A. Producer - is one who engages, as an occupation, in farming operations as a distinct activity for the purpose of producing a farm crop and assumes the production and market risks associated with the agricultural production of those crops. A corporation or farmers' cooperative may be a “producer” if engaged in actual farming of the nature and extent there indicated.
- Q. What is the definition of a “farm” in this program?
- A. The total of all areas of land, water, or both in Louisiana, used by an agricultural producer to produce or harvest one or more agricultural products, regardless of whether the area or areas are located in more than one parish.
- Q. Who is an Agribusiness?
- A. Agribusiness – a person, other than an agricultural producer, who engage in agriculture or provide support activities, products, or services to an agricultural producer and such products or services are directly related to the production and harvesting of crops and livestock.
- NAICS categories included in this definition are: Cotton ginning 115111; Aerial dusting or spraying (i.e., using specialized or dedicated aircraft) 115112; Fertilizer or Pesticide Ground Application for Crops 115112; Crop Harvesting, Primarily by Machine 115113; Rice drying 115114; Veterinary Services 541940; Farm Product Warehousing and Storage 493130; Farm Supplies Merchant Wholesalers 424910; and Logging 113310.
- Q. May a completed application packet be faxed or e-mailed to LAFA?
- A. No. We need the original signed, dated and notarized application form.

- Q. What documents will I need when I apply?
- A. Most family farms and individual proprietorships will only need the copies of their 2006, 2007 and 2008 tax returns and the application packet to apply. For a complete checklist of documents required for each type organization, see www.ldaf.state.la.us/recovery.
- Q. If a farmer received a loan to help them plant crops for the 2009 crop season, can the proceeds from the grant/loans in this program be used to pay down or pay off the loan obtained to plant this year's crop?
- A. Yes.
- Q. If an agribusiness took monies out of his/her investments (retirement) to get through 2008/2009 season to help pay wages, etc, how would they prove that or show it as an economic loss?
- A. Agribusinesses will need to show a loss of revenue (income) in 2008 of at least 20% and \$10,000 (guidelines page 13). How they covered that loss of revenue is not relevant to the application. Some had to take out loans, some sold assets and some, as this example, loaned the money to themselves.
- Q. Does the borrower have to put up any collateral for the 80% loan 20% grant program or the 100% loan program?
- A. All of the loans and grant/loans are signature loans. No collateral is needed.
- Q. If a farmer had a crop loan or line of credit from 2007 from a bank that the farmer would have paid off with his/her 2008 crop yield, but couldn't due to the hurricanes, could that farmer use the proceeds from the grant/loans in this program to pay down or pay off that loan?
- A. Yes, recipients can go back as far as 2007 to pay on or pay off production loans. Remember however, those pre-existing loans can not have financed any of the activities that are directly proscribed in the "Use of Funds" sections of the guidelines (pages 11&17).
- Q. What will my tax liability be?
- A. If you received a combination grant/loan, you will be sent a 1099 in the year your grant portion is realized and will have to declare that grant as income. No taxes are due on loans or the loan portions of the grant/loans.
- Q. If I have received a USDA Farm Service Administration Emergency loan, am I eligible to apply under the LAFA program?

- A. Yes. However, on any future loan applications, LAFA should be listed as a creditor.
- Q. If I receive funds under the LAFA program, will I still be eligible to receive SURE funds for my 2008 crop loss from USDA?
- A. Yes. Participation in the LAFA program does not conflict with SURE.
- Q. What statistical numbers are we using for the crop calculator?
- A. For yield we used the “2007 Agricultural Summary” and for price we used the “2008 Agricultural Summary” published by the LSU AgCenter.
- Q. If you had a profit from one crop, but a loss on another, do you have to show both crops?
- A. No. You only need to show the crop loss.
- Q. What if a client has a lack of documentation.
- A. This is an eligibility guideline and we must have tax documentation for the past three years showing loss of revenue for 2008.
- Q. What were the dates of the storms?
- A. Hurricane Gustav – September 1, 2008
Hurricane Ike – September 13, 2008
- Q. Can you claim loss of feeding days?
- A. Yes. Refer to last page of the calculator.
- Q. If a producer has gone out of business, can this loan be used to help him get back into farming?
- A. No.
- Q. Can grant/loans be used to repair levees (rice, crawfish etc.)
- A. No. Levee repairs are not eligible because they would require environmental impact reviews. This is the same reason new land cannot be put into production, buildings rebuilt, or repaired using these funds
- Q. If someone started a farming operation in 2007, do they still have to provide 2006 tax records?

A. Yes. We still need 2006 tax documentation.

Q. If someone is new to farming, can they still apply for the grant/loan?

A. Yes. They must still provide documentation showing when and how they started farming and provide receipts.

PLEASE REMEMBER SIGNATURES AND HUD REQUIREMENT SHEETS MUST BE COMPLETED IN BLUE INK.

To obtain Duns number: http://www.dnb.com/us/duns_update/index.html

For more information on NAICS numbers, see:
<http://www.census.gov/eos/www/naics/>

Agribusiness Eligibility:

Cotton Ginning	115111
Aerial dusting or spraying	115112
Fertilizer Application for crops	115112
Crop Harvesting	115113
Rice Drying	115114
Veterinary Services	541940
Farm Product Warehouse and Storage	493130
Farm Supplies Merchant Wholesalers	424910
Logging	113310

For further information contact:

Louisiana Department of Agriculture & Forestry
Louisiana Agriculture Finance Authority
P.O. Box 3334
Baton Rouge, LA 70821-3334
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